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A Future for Iowa's Children: The Effective Use of Adoption Subsidy

Who Are The Children?

Every child deserves to live in a safe and loving home. Unfortunately, not every child is born into such a family. Iowa has successfully provided homes for thousands of abused and neglected children through the special needs adoption program. Adoption subsidy is critical for these adoptions to succeed.

Children who are victims of physical abuse, sexual abuse, emotional abuse, and neglect pay a heavy price for their biological parents' inability to care for them. They may have medical, emotional, intellectual, and physical needs that far exceed what their adoptive families can manage on their own. Many children have ongoing needs and struggles they face everyday. These needs do not go away. The Iowa adoption subsidy program provides critical assistance to these children and families who are in dire need of support and services.

Michael, age 12, and his sister Anne, age 10, were placed in foster care due to their biological parents' drug and alcohol addiction and violence in the home. The children were often beaten, terrorized by their parents' friends, and not provided with food or basic needs. They had no adult supervision and would run the streets late into the night. They witnessed many episodes of violence and drug use. Since the children have been adopted they receive therapy and specialized programming in the home and at school. They have been hospitalized to stop them from hurting themselves and others, are physically abusive to other children in the home, have poor coping skills, and require constant supervision. These children will continue to require services and interventions to work on the many issues they face.

Kenny, age 15, has mild mental retardation and is a victim of severe physical and sexual abuse. He is large for his age and is often a target of bullying. He has poor impulse control, can be physically aggressive and threatening to others, and has many educational and social delays. He requires adult supervision and additional support and services to be maintained in the adoptive home.

Ryan, age 4, was born extremely drug-affected at only 28 weeks gestation and remained in the hospital for almost 6 months. Ryan left the hospital in very fragile health due to his many life-threatening medical complications; he was failure-to-thrive and required tube feedings, breathing treatments and oxygen. At 14 months, he was diagnosed with liver cancer. His family transported him frequently to Iowa City for chemotherapy and to address his critical health issues. There were many times that Ryan coded and required CPR. Ryan's cancer is in remission, but he remains in fragile health with many medical care demands that can be exhausting. He is difficult to console and has out-of-control temper tantrums.

Jessica, age 5, and Angela, age 3, were removed as infants from their biological parents who operated a methamphetamine lab in the home. The lab was set up in the room where the children slept. The children have many medical and physical problems. The biological parents had two more children since Jessica and Angela were placed for adoption. Jessica and Angela's adoptive family have committed to keeping the siblings together and fostered and adopted the two additional siblings. The adoptive family manages the medical, physical, emotional, and behavioral needs of all four children.

Children who qualify for adoption subsidies are the hardest to place for adoption. By definition, children with special needs are typically older children. Some are medically fragile or have emotional or physical disabilities. Most are victims of abuse and neglect and many need to be placed with siblings. In addition, some children are considered special needs because they have a racial or ethnic background that makes it more difficult to place them for adoption.

Who Are The Families?

Adoptive families provide homes for children who do not have a permanent family. They believe that children deserve to have a family, regardless of the child's family history or his or her emotional, medical, physical or behavioral struggles. Families of all types and backgrounds have come forward to parent very needy children shattering the belief that institutionalization or long-term foster care are the only options for certain children.

Many families believe that parenting a child through adoption can be one of life's most fulfilling experiences. However, parenting a child with special needs also has many costs, many of which go beyond day-to-day living expenses. Parents must spend extra time, attention and energy with a child who has special needs, and often the other children in the home do not get equal time with the parents. There is usually an emotional and financial toll on the whole family to

raise a child with special needs, and some children's out-of-control behaviors and mental health issues can strain the entire family system.

Iowa adoptive parents are finalizing a record number of adoptions in the state, but these adoptions cannot succeed without support from the adoption subsidy program.

The Iowa Foster and Adoptive Parents Association completed a survey of foster and adoptive parents in 1999.

Families listed the following services as critical to their children's ability to overcome their limitations, disabilities and special needs:

- access to support groups
- crisis intervention
- quality therapists
- day care
- respite care
- training

They also noted accurate and adequate information of the child's family history, issues, and diagnosis was vital to the family's ability to address the needs of their children.

A family who finalizes a special needs adoption enters into a DHS Adoption Subsidy Agreement with an understanding that support and services will continue to be available to parent their child. Families commit to adopt based on these negotiated services and supports. These agreements need to be honored.

Iowa must continue to address the real demands these children place on the family system. Children deserve to have the financial and emotional support needed to grow and develop. The Iowa adoption subsidy program must be flexible enough to address the very specific and extraordinary needs of these children including specialized programming and equipment, day care services, constant supervision and interventions, and an at-home parent to manage their extreme needs. Families and children deserve to hear the message from Iowa that these children are important and matter to our state's future.

The History of Adoption Subsidies

Before state and federal adoption subsidy programs were created, children with special needs—those who were older, had medical or emotional disabilities, had siblings, or were children of color—were often labeled "unadoptable." They frequently languished in the child welfare system. Many of these children aged out of foster care without a family, without support, and without hope. Adoptive parents who chose to adopt without the availability of adoption subsidies often faced tremendous financial and emotional difficulties. Some people chose not to adopt because of the financial barriers.

In 1980, Congress passed the Adoption Assistance and Child Welfare Act, also known as P.L. 96-272. This Act created federal subsidies to promote the adoption of children with special needs and remove the financial disincentives to adoption. With federal participation, subsidies became an effective way to secure permanence for children who might otherwise have spent years in the foster care system.

On November 19, 1997, President Clinton signed the Adoption and Safe Families Act. In President Clinton's 1997 Executive Memorandum he challenged the child welfare system to increase the number of permanent homes for children in foster care.

Since the inception of the national welfare reform efforts of 1996 (SSI, AFDC and TANF) and the Adoption and Safe Families Act of 1997, more children have been entering the foster care and adoption system than ever before. Adoption subsidies have proven to be an important tool to achieve permanence for waiting children with special needs.

The Adoption and Safe Families Act set the protocol for "reasonable efforts" and "concurrent planning." DHS is required to use reasonable efforts to preserve and reunite the biological family concurrently with reasonable efforts to plan for permanence for the child if the child is unable to return to a biological parent. The Adoption and Safe Families Act also set timeframes and protocols to request a permanency hearing and proceed to termination of parental rights.

Permanency hearings shall be held:

- Within 30 days of the date reasonable efforts are waived by the court.
- Within 12 months from the date the child was removed.

The county attorney is required to file a petition for termination of parental rights when:

- The child has been placed in foster care for 15 or more months of the most recent 22 month period.
- The court has waived reasonable efforts due to a written determination that “aggravated circumstances” exist.
- The child is less than 12 months old and been judicially determined to be abandoned.
- The parent has been convicted of the murder or voluntary manslaughter of another child or parent.
- The parent has been convicted of aiding or abetting, attempting, conspiring in, or soliciting the commission of the murder or voluntary manslaughter of another child or parent.
- The parent has been convicted of a felony assault which resulted in serious bodily injury of the child or another child of the parent.

The Adoption Assistance and Child Welfare Act and the Adoption and Safe Families Act have been instrumental in opening the door for Iowa’s most vulnerable children to have permanence and stability in their lives. In fiscal year 1992, less than 100 adoptions were finalized by DHS. In fiscal year 2000, DHS finalized 742 adoptions. In fiscal year 2004, 1064 adoptions were finalized by DHS. Iowa must continue to address the issues these children face by supporting and adequately funding the adoption subsidy program.

Foster Care Costs vs. Subsidized Adoption Costs

Research shows that the cost of keeping a child in foster care far exceeds the cost of a subsidized adoptive placement. These costs go well beyond the financial considerations. There are many other costs that children and society pay when children lack a permanent home.

Foster care placements require:

- worker time and supervision
- placement supervision
- private agency supervision
- periodic case reviews
- judicial hearings

These requirements make foster care more expensive than subsidized adoptions. According to the DHS Child Welfare in Iowa By the Numbers report dated June 2004, there are 45,000 ongoing cases for workers at any one time. Of these cases, 15,800 involve primarily face-to-face contact. Once a child is adopted, there are no more court hearings and social workers do not make home visits. For all practical purposes, the case is closed, which eliminates the administrative costs associated with foster care.

A 1993 study by the Westat Corporation concluded that the administrative costs of adoption are substantially lower than those associated with a state's foster care program. The Westat report estimated that federal and state governments saved a total of \$1.6 billion in connection with a group of 40,700 children who were adopted with assistance during the 1983 to 1987 period. The savings did not include disparities between monthly foster care maintenance payments and adoption subsidy rates, but considered "only the differences in administrative costs between foster care and adoption assistance up to the time the children reach age 18 and would normally be discharged from foster care." (Sedlak and Broadhurst, 1993)

The DHS Child Welfare in Iowa By the Numbers report dated June 2004 details the high cost for leaving children in the Iowa child welfare system. The average cost of a child in the first year of care is \$9,000. The cost rises every year, with the average cost in the fifth year being \$38,000.

The Westat report indicates that children who age out of foster care and are not adopted are more likely to:

- become pregnant
- use drugs
- be incarcerated
- be on welfare
- drop out of high school
- be over-represented in the homeless population
- lack the independent living skills and support that would allow them to establish a household

When children have multiple moves while in foster care, the odds of their success dramatically decrease. There is a real and direct financial burden on society when children do not have a permanent home as they age out of the system. Subsidized adoption is an affordable option vs. the high cost to society of future incarcerations or welfare assistance programs.

In addition to less financial costs, providing an adoptive home gives a child many social, educational, and emotional benefits. They have a family to care for them, discipline them, cheer for them, and believe in them. Adoption provides a family for a child who has no one else. Iowa's children need to grow up in permanent and supportive families to help guide them to become responsible, happy, and productive adults.

Adoption Subsidy is Vital to Iowa's Children

For a child, having a permanent family is very powerful. It puts an end to their questions such as:

- “Where am I going to live?”
- “Who will take care of me?”
- “Am I safe?”
- “Am I loveable?”

These are questions a child should never have to ask.

For a child with special needs, an adoptive family provides a safe place to receive support and address their needs. The child and family may face many struggles, but the child knows they have a place and a family in which to belong. Their family will help them work through the tough issues they face, advocate for them, and be there for them as they travel through life, learn to be independent, go to college, and work, marry, and have children. The benefits that an adoptive family provides are immeasurable in the life of a young person. An adoption subsidy can be the key to making adoption an affordable and viable option for many families.

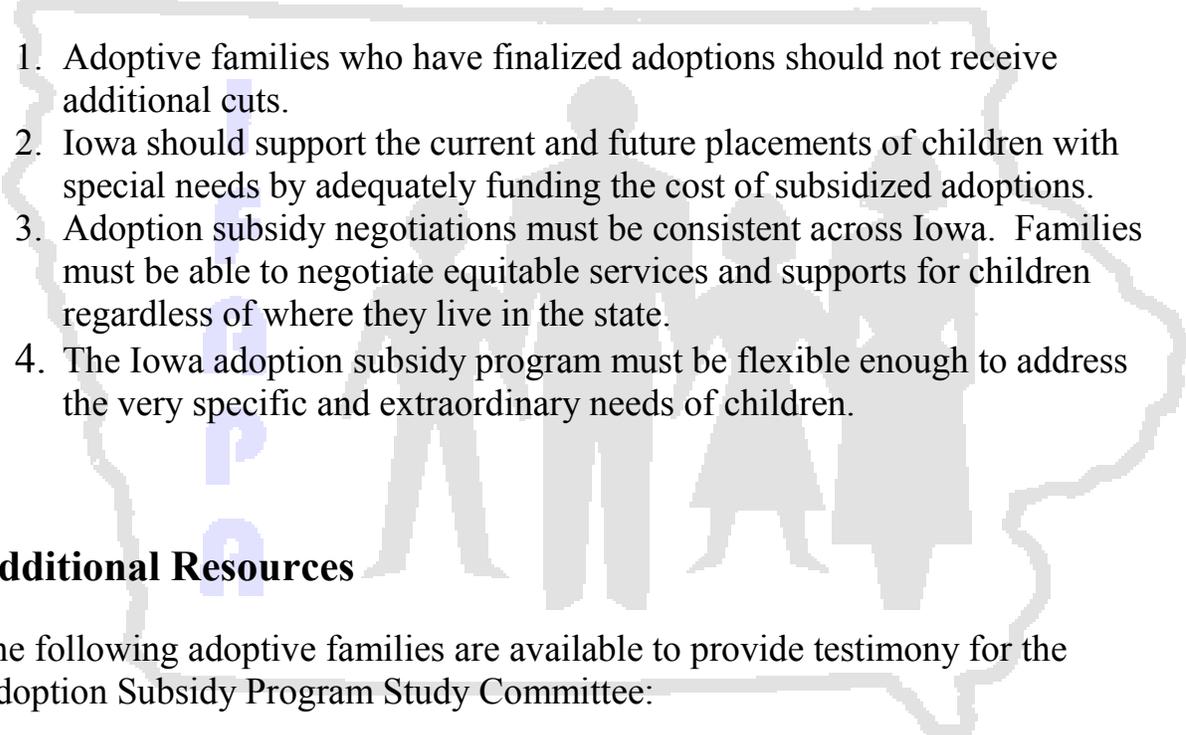
Considering the tremendous cost savings to the child welfare system and to society, and the important benefits to each child, we must conclude that funding subsidized adoption is the right decision for Iowa.

Due to Iowa's success in providing for the safety and well being of children, there are a record number of children in need of adoptive placement. As Iowa strives to provide permanency for children, the numbers of children in subsidized adoptive placement will continue to rise. In 1998 DHS had an average of 3,176 children in the adoption subsidy program. In 2000, the number

averaged 4,324. In 2004, the average number of children utilizing the program is 6,688.

As children achieve permanence, these numbers will continue to rise. Iowa needs to address the real needs of children and plan for their future by adequately funding the adoption subsidy program.

Recommendations

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1. Adoptive families who have finalized adoptions should not receive additional cuts.
 2. Iowa should support the current and future placements of children with special needs by adequately funding the cost of subsidized adoptions.
 3. Adoption subsidy negotiations must be consistent across Iowa. Families must be able to negotiate equitable services and supports for children regardless of where they live in the state.
 4. The Iowa adoption subsidy program must be flexible enough to address the very specific and extraordinary needs of children.

Additional Resources

The following adoptive families are available to provide testimony for the Adoption Subsidy Program Study Committee:

1. Ron and Julie Cronk, Des Moines
2. Sandy Launderville, Alta
3. Mike and Christie McGuire, Garner
4. Mike Gorton and Dianne Larson, Cedar Falls
5. Angela Stark, Pleasant Hill

Attachments

Summary of comments made at DHS public hearings held across Iowa on September 11-13, 2003 to address the proposed adoption subsidy rule changes.

Sources

Child Welfare in Iowa By the Numbers, DHS report dated June 2004

DHS SFY 06 Budget Worksheets Adoption Subsidy

North American Council on Adoptable Children

Pew Commission Report on Children in Foster Care

Sedlak, Andrea J. and Diane D Broadhurst,

Study of Adoption Assistance Impact and Outcomes: Final Report.

Rockville, MD: Westat Corporation, 1993.

Report completed by: Angela Stark

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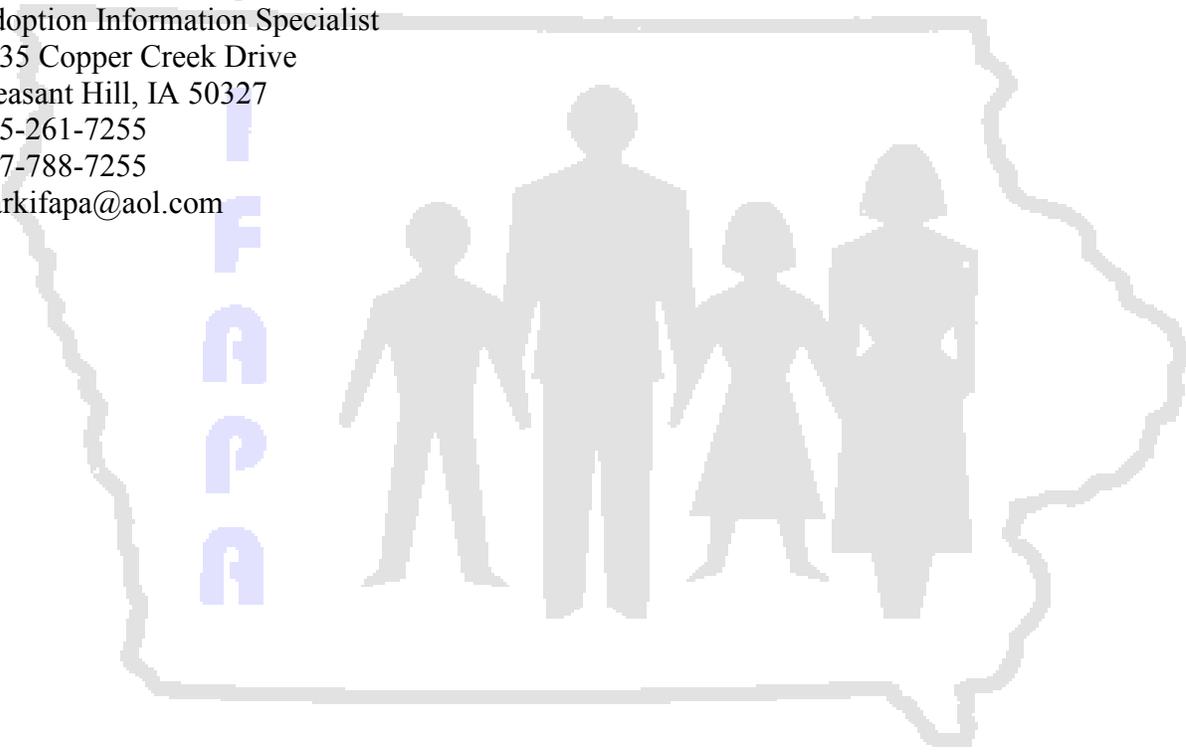
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SUMMARY OF COMMENTS ON ARC 2101B
Changes to Adoption Subsidy Rules
Hearings Held September 10-11, 2003

COMMENT: These changes will discourage adoption.

With the economy as it is people are being as careful as can be and not willing to take on added risks financially.

Many prospective adoptive parents may wish to adopt a child at risk, but fear the necessary, cost prohibitive therapeutic treatment.

We would think that you as an agency would be thrilled to have children adopted and to help out these families so that children are able to stay in a stable family. This is not going to help children have this, this is going to make children stay in the foster care programs and be bounced from home to home. Those that can't will be put in residential facilities, institutions, or running away, living on the streets and found dead some where.

The financial support and shared commitment of the state and federal government in subsidizing resource parents so these children can grow up in homes is absolutely essential for helping to recruit new resource parents and to retain prospective foster parents who are most likely to become adoptive parents.

By pulling subsidies, you are going to end up back where we started where children are stuck in the system for way too long.

People will crunch the numbers and see that it's financially a better deal and less a burden and just continue to foster kids who could have been part of a family

COMMENT: DHS is renegeing on promises made to families.

...we and other adoptive parents were promised the department would always be there for us, they wouldn't desert us. That is exactly what the department is doing with these proposed changes... can we not believe anything?

DHS workers say to us as foster/adoptive parents: I, as well as, many other adoptive parents feel betrayed by the system who we thought we were helping.

We find that this is very wrong and unfair to all adoptive parents.... Taking away subsidy and child care services from us is just going to cause additional hardship to all families. This is also money that some families have been receiving for several years. We feel that if this is done, those families that are really struggling and having a lot of ups and downs, you are going to see those families returning children back into state care and then you are going to have a lot more expenses to care for the children.

I can not believe that you would promise one thing then change it in mid stream!!!! We kept our promise to adopt and care for these kids as if they were our natural born children.

Since we have already signed a subsidy agreement that included the child care assistance, how can that change now? This "new" information was not provided to us at the time of adoption. What is our right to due process?... I have many ... concerns that this process will not be handled fairly or uniformly from family to family.

I believe it is wrong to change the rules for those of us who made decisions to raise our special needs children based upon help which was available.

We were told that we would continue to get a subsidy along with child care ...How can you just ignore your obligation to us as a foster/adoptive family and take that way now? We have kept our commitment so far and I expect the state to keep its commitment to us.

I hope in the future DHS will not use the offer of financial assistance as a means of getting children off the foster care roster who would otherwise remain on there for life. Permanency means forever. Not just until you decide to change the rules.

When I adopted my grandchildren I was promised daycare as I can't afford to pay for it and I must work or I couldn't survive. If I can't work, we will not make it and I didn't adopt them just so I couldn't take care of them properly.

While I understand the need to control expenses, I believe that the state's budget constraints should not be used as an excuse to renege on promises made to adoptive families at the times we agreed to adopt. Bringing economic stresses to the families of children who are already placed is not in the children's best interest.

I would hope that our state will not leave our adoptive parents out struggling on their own. Instead, we need to be supporting their efforts to be excellent providers, not just financially, but in all realms. I believe that you will find, in the end, support of your adoptive parents will bring much benefit to everyone, especially the children your agency works so hard to protect.

COMMENT: The Department should not limit subsidy for child care.

The maintenance subsidy as it is now, does not cover child care expenses, especially when you are dealing with a child that has significant emotional and/or behavioral problems. Few families would be able to afford to care for such children.

Have you ever lived with a treatment level child for any period of time? If so, then you would recognize the need for parents to have reliable child care available. You are taking the benefits away from the children who need it the most.

It is the treatment and enhanced level children who need these day care funds most. These funds assure that the child receives the tools, if you will, to manage their disability within the home setting, keeping them from being placed in a residential setting which would be a more expensive and restrictive environment and less beneficial to the child in the long run. ...To say that these families receive an additional \$14/day and they should use that to cover day care is preposterous. How many hours of day care would that cover for a child with this high level of special needs? A person providing respite or Supportive Community Living services for someone under the MR or Ill and Handicapped waiver, receives anywhere from \$7.50 to 12.50/hour. Where am I going to find quality people trained to handle a child with mental retardation and bi-polar, oppositional defiance disorder, obsessive compulsive disorder, attention deficit hyperactivity disorder, sexual abuse, fetal alcohol effects, reactive attachment disorder, post traumatic stress disorder, dysthymia and sensory integration dysfunction and pay them less than they can get working for providers like Easter Seals or Intrepid?

COMMENT: The Department should not eliminate eligibility for children who are at-risk of developing future special needs.

It is very difficult to make an accurate diagnosis of the effects of abuse suffered in- utero until a child reaches school age or many years beyond. Psychological damage as a result of a child's abuse may not manifest itself until well into the teenage years of a child. Therefore, it does not make any sense to require a diagnosis that simply cannot be made yet to qualify for a subsidy.

In the change of definition of "special needs" children, I would ask that a family could apply subsequently to adoption for subsidy upon diagnosis of mental retardation or emotional/physical disability. These issues are not always diagnosed immediately, and are certainly worthy of recognition.

We are asking that you rethink taking away the stipend for children who are at risk of having mental retardation and/or mental disabilities. Maybe you could just cut their amount to a lesser amount? Any stipend would be security for the future for these kids and parents.

COMMENT: The Department should not eliminate eligibility for minority children under 2.

I am very concerned about the implications of this proposal...Scientific studies continue to reveal that every month which passes in the life of a child between ages 0 and 3 is a loss of opportunity to form critical brain pathways and make developmental advancements required for future growth. Any change in policy which may have the effect of increasing delay in the adoption of the children is not in the best interest of the children... [If] the state of Iowa is not prepared to eliminate all subsidies on the basis of race or ethnicity for children of any age, this proposed change should be rejected.

COMMENT: The Department should not terminate subsidy at age 18.

Please consider changing new subrule 201.3(5) to cover children until high school graduation. Many do not complete high school until after age 18

The problems that the children have had in their past put them behind. Many will not graduate from high school until they are 19 or 20 years old.

COMMENT: The Department should not restrict subsidy available for sibling groups.

Restricting the definition of special needs to a sibling group of three rather than 2 doesn't cover the needs that arise for the second sibling when there is a high-risk child.

The \$1 per day for a sibling group does not sound like a lot, but it could cut a significant amount when several children are involved. It is important that the state does not do anything to discourage the placement of sibling groups together. Being taken from their birth parents is traumatic enough without having to lose their brothers and sisters as well.

COMMENT: There will be problems in implementing subrule 201.6(6) on repayment of increased home equity attributable to modifications paid for by subsidy.

I believe this suggested change in the rules is an invitation for disaster in its practical application...I can see where the Department may have an interest in recouping this money, but it appears that the reality of trying to determine exactly how much more a person is able to see their home for on the open market as a result of these modification is difficult if not impossible. It seems to me that a large number of factors can clearly impact the price of a home, and that the Department trying to invade the private real estate transactions of adoptive parents would not only be a bureaucratic nightmare to implement but would be a poor public relations move on the part of the State Iowa. ... The prospect of having to give money back to the Department would make it difficult for adoptive families to know their own financial circumstances on an ongoing bases, and would probably result in litigation between some of these families and the State.

COMMENT: Concerning subrule 201.5(2) on counting unearned income.

All these changes dismiss the incredible non-fiduciary commitment of many families to taking on the challenge of adopting special needs children in Iowa.

There are several different types of unearned income that children may legally receive which do not fall under the category of child support. ...I ask that you ...decide specifically what types of unearned income should wipe out a subsidy which may otherwise be needed by an adoptive family.